

Glossary

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This glossary lists terms and acronyms that are used in this report or that otherwise relate to school consolidation, education, or municipal boundary changes that have particular meanings. Unless the context in which those terms and acronyms listed below are used in these proceedings suggests otherwise, they are defined as follows:

“ADM” or “average daily membership” is the average daily student count over 20 consecutive school-days in October (AS 14.17.600). ADM is defined in State law as “the aggregate number of full-time equivalent students enrolled in a school district during the student count period for which a determination is being made, divided by the actual number of days that school is in session for the student count period for which the determination is being made.” (AS 14. 17.990(1).) The count dates for FY 2004 ADM were September 29, 2003 to October 24, 2003.

“Annexation” is the expansion of the jurisdictional boundaries of an existing city government or borough government.

“Areawide” means throughout a borough, both inside and outside all cities in the borough. (AS 29.71.800.)

“Assembly” means the governing body of a borough. (AS 29.71.800.)

“Base student allocation” is the dollar value set in State law that is applied to the “district adjusted ADM” to arrive at the “basic need” for school districts. (See definitions of “district adjusted ADM” and “basic need” in this glossary.) The current base student allocation set out in AS 14.17.470 is \$4,169.

“Basic need” is the level of fundamental financial aid that a school district is entitled to receive under State law. Under AS 14.17.400(b), if the funding appropriated into the public school account is insufficient to meet the basic need of all districts, DEED must reduce pro rata each district’s basic need. The following steps are used to determine the basic need for each school district:

Ascertain average daily membership (ADM). The first step is to determine the average daily membership (ADM) in every school within each school district in Alaska. The term “average daily membership” is defined earlier in this glossary.

Adjust for school size factor.¹ The second step involves adjustment of the average daily membership (ADM) of every school within each school district based upon the particular size of the school. The ADM of each school with 1,022 or fewer students is adjusted upward.

¹ AS 14.17.450.

The smaller the ADM, the greater the adjustment. For example, a school with an ADM of 10 is adjusted by a multiple of 3.96 (i.e., 10 students are counted as 39.6); a school with an ADM of 25 is adjusted by a multiple of 1.908 (i.e., 25 students are counted as 47.7); a school with an ADM of 200 is adjusted by a factor of 1.3605 (i.e., 200 students are counted as 272.1). At the threshold ADM of 1,022, the school size factor adjustment becomes negligible.²

While the ADM of each school with 1,022 or fewer students is adjusted upward, the ADM of each school with 1,023 or more students is adjusted downward. The higher the ADM, the greater the adjustment. At the 1,023 threshold, the adjustment is negligible. However, a school with an ADM of 1,500 is adjusted by a multiple of 0.9491 (i.e., 1,500 students are counted as 1,423.6); a school with an ADM of 2,000 is adjusted by a multiple of 0.9218 (i.e., 2,000 students are counted as 1843.6). The school with the largest enrollment in FY 2003 had an ADM of 2,454. Its student count was adjusted by a factor of 0.9067 (i.e., its 2,454 students were counted as 2,224.96). In FY 2003, just over 15 percent of Alaska's students attended schools that had average daily memberships of 1,023 or higher.

The following defines the adjustments specified in law:

- if the student count³ is ≥ 10 but < 20 the adjusted student count is 39.6;
- if the student count is ≥ 20 but < 30 the adjusted student count is $39.6 + (1.62 \times \text{the number of students in excess of } 20)$;
- if the student count is ≥ 30 but < 75 the adjusted student count is $55.8 + (1.49 \times \text{the number of students in excess of } 30)$;
- if the student count is ≥ 75 but < 150 the adjusted student count is $122.85 + (1.27 \times \text{the number of students in excess of } 75)$;
- if the student count is ≥ 150 but < 250 the adjusted student count is $218.1 + (1.08 \times \text{the number of students in excess of } 150)$;
- if the student count is ≥ 250 but < 400 the adjusted student count is $326.1 + (0.97 \times \text{the number of students in excess of } 250)$;
- if the student count is ≥ 400 but < 750 the adjusted student count is $471.6 + (0.92 \times \text{the number of students in excess of } 400)$;
- if the student count is ≥ 750 the adjusted student count is $793.6 + (0.84 \times \text{the number of students in excess of } 750)$.

² A school with an ADM of 1,022 is adjusted by a factor of 1.0000782778864970645792563600783 (i.e., 1,022 students are counted as 1,022.08).

³ If the ADM in a school is less than 10, those students are included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district. (AS 14.17.450(b).)

Apply district cost factor.⁴ In the third step, each district's school-size-adjusted ADM is further adjusted by district cost factors. Cost factors for the 53 districts in Alaska range from a base of 1.000 to 1.736. The cost factors for each of Alaska's school districts is listed below:

Municipality of Anchorage	1.000	Bristol Bay Borough	1.262
Ketchikan Gateway Borough	1.000	City of Nenana	1.270
City of Petersburg	1.000	City of Pelican	1.290
City and Borough of Sitka	1.000	Alaska Gateway REAA	1.291
City of Wrangell	1.000	Chugach REAA	1.294
Kenai Peninsula Borough	1.004	Denali Borough	1.313
City and Borough of Juneau	1.005	City of Nome	1.319
Haines Borough	1.008	City of Galena	1.348
City of Craig	1.010	City of St. Mary's	1.351
Matanuska-Susitna Borough	1.010	Kashunamiut REAA	1.389
Annette Island REAA	1.011	Pribilof REAA	1.419
City of Klawock	1.017	Aleutians East Borough	1.423
City of Kake	1.025	Southwest Region REAA	1.423
Fairbanks North Star Borough	1.039	Kuspuk REAA	1.434
City and Borough of Yakutat	1.046	Lower Yukon REAA	1.438
City of Hoonah	1.055	Yupit REAA	1.469.
City of Hydaburg	1.085	Iditarod REAA	1.470
Kodiak Island Borough	1.093	Lower Kuskokwim REAA	1.491
City of Valdez	1.095	City of Tanana	1.496
City of Cordova	1.096	Yukon/Koyukuk REAA	1.502
Delta/Greely REAA	1.106	North Slope Borough	1.504
Chatham REAA	1.120	Bering Strait REAA	1.525
Southeast Island REAA	1.124	Northwest Arctic Borough	1.549
City of Skagway	1.143	Lake and Peninsula Borough	1.558
Copper River REAA	1.176	Yukon Flats REAA	1.668
City of Unalaska	1.245	Aleutians Region REAA	1.736
City of Dillingham	1.254		

Apply special needs factor.⁵ In the fourth step, a special needs factor is applied. To assist districts in providing special education (except intensive special education), gifted and talented education, vocational education, and bilingual education services the figure derived in the third step following the application of the district cost factor is multiplied by 1.20, as set out in AS 14.17.410(b)(1). To qualify for special needs funding, a school district must file a plan with the DEED indicating the special needs services that will be provided.

Add intensive service adjustment.⁶ In the fifth step, a district may receive an adjustment for intensive services funding for each special education student who needs and receives intensive services and is enrolled on the last day of the 20-school-day-count period. For each such student, intensive

⁴ AS 14.17.460.

⁵ AS 14.17.420(a)(1).

⁶ AS 14.17.420(a)(2).

services funding is equal to the intensive student count multiplied by five. To receive funding, a district is required to establish an “individual education plan” for each special education student who needs and receives intensive services.

Add correspondence students.⁷ The sixth step relates to funding for any correspondence students served by a district. Funding for correspondence study provided by a district is calculated by multiplying the ADM of the correspondence program by a factor of 0.8.

Apply base student allocation.⁸ The figure arrived at through the steps outlined above is the district adjusted ADM. The district adjusted ADM is multiplied by the base student allocation, currently, \$4,169, to arrive at the basic need for each district.

Note: AS 14.17.490 provides as follows concerning school funding:

*Sec. 14.17.490. Public school funding adjustments.*⁹

(a) Except as provided in (b) - (e) of this section, if, in fiscal year 1999, a city or borough school district or a regional educational attendance area would receive less public school funding under AS 14.17.410 than the district or area would have received as state aid, the district or area is, in each fiscal year, eligible to receive additional public school funding equal to the difference between the public school funding the district or area was eligible to receive under AS 14.17.410 in fiscal year 1999 and the state aid the district or area would have received in fiscal year 1999.

(b) A city or borough school district is not eligible for additional funding authorized under (a) of this section unless, during the fiscal year in which the district receives funding under (a) of this section, the district received a local contribution equal to at least the equivalent of a four mill tax levy on the full

⁷ AS 14.17.430.

⁸ AS 14.17.470.

⁹ In *Public School Funding Program Overview* (January 2004), DEED outlines the application of AS 14.17.490 as follows:

Adjustments to the Funding ‘Floor’

The funding ‘Floor’ was established in FY 99 to provide funds for districts generating less state aid using the New Funding Formula and bridges the transition between the programs. All adjustments to the ‘Floor’ are reductions. There are two ways that the ‘Floor’ can be adjusted:

If the Basic Need in the current fiscal year is greater than the Basic Need in the prior fiscal year, then take the difference, and multiply it by 40%. Subtract this number from the funding ‘Floor’ to arrive at the new ‘Floor’ amount for the current fiscal year.

If the ADM decreases by 5% or more over FY99, then reduce the funding ‘Floor’ by that same percentage.

Please Note: No action is taken to the funding ‘Floor’ if:

The current fiscal year Basic Need is less than the prior year Basic Need or,

The ADM has not decreased by 5% or more since FY99.

and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110.

(c) For the purposes of the reduction required under AS 14.17.400 (b), funding authorized under (a) of this section is treated the same as the state share of public school funding under AS 14.17.410.

(d) Beginning in fiscal year 2000, if a district receives more public school funding under AS 14.17.410 than the district received in the preceding fiscal year, any amount received by the district under this section shall be reduced. The amount of the reduction required under this subsection is equal to the amount of increase from the preceding fiscal year in public school funding multiplied by 40 percent. In this subsection, “public school funding” does not include funding under this section.

(e) Beginning in fiscal year 2000, in each fiscal year, the department shall compare each district’s ADM with the district’s ADM in fiscal year 1999. If the current fiscal year ADM is less than 95 percent of the district’s ADM in fiscal year 1999, the department shall reduce the district’s public school funding calculated under (a) of this section by a percentage equal to the percentage of decrease in the district’s ADM.

(f) For purposes of this section, “state aid” means state aid distributed under the provisions of AS 14.17, as those provisions read on January 1, 1998, and additional district support appropriated by the legislature for fiscal year 1998.

“Borough” means a general law borough (first-class, second-class, or third class), a non-unified home-rule borough, or a unified home-rule borough (unified municipality). (3 AAC 110.990(1).)

In general terms, the word ‘borough’ means a place organized for local government. Boroughs exist in certain other states in this country and in other countries; however, they bear no similarity to boroughs in Alaska.

After much debate, Alaska’s Constitutional Convention Delegates chose the term “borough” over alternatives such as county, canton, division, and province. They did so because they felt that the term “borough” did not carry the connotations of the other terms. The Delegates wanted to preclude rigid thinking and the application of restrictive court decisions based on the extensive body of county law developed in the existing states. (See, Thomas A. Morehouse and Victor Fischer, *Borough Government in Alaska*, 1971, p. 37.)

In Alaska, a borough is a regional unit of municipal government (See, Victor Fischer, *Alaska’s Constitutional Convention*, 1975, pp. 116 – 123); Thomas A. Morehouse and Victor Fischer, *Borough Government in Alaska*, 1971, pp. 37 – 41; *Mobil Oil v. Local Boundary Commission*, 518 P.2d 92, 100 (Alaska 1974); and Alaska State Legislature, Legislative Counsel, *Proceedings of the Alaska Constitutional Convention*, 1963, pp. 2638 and 2641.) Appendix E of this report addresses, in detail, fundamental principles of borough government in Alaska.

“City” means a general law (first-class or second-class city or a home-rule city government. (AS 29.71.800.)

“Coastal resource service area” means a service area established and organized under AS 29.03.020 and AS 46.40.110 - 46.40.180. (3 AAC 110.990(2).)

“Commission” refers to the Local Boundary Commission. (3 AAC 110.990(3).)

“Community” means a social unit comprised of 25 or more permanent residents as determined under 3 AAC 110.920. (3 AAC 110.990(5).)

“Consolidation” in terms of “municipal consolidation” means the dissolution of two or more municipalities and their incorporation as a new municipality. (AS 29.71.800.) “Consolidation” in terms of school consolidation, takes on a much more general connotation; it means combining two or more school districts through any of several means (borough incorporation, annexation, city reclassification, city dissolution, modifying the boundaries of REAAs, etc.).

“Contiguous” means, with respect to territories and properties, adjacent, adjoining, and touching each other. (3 AAC 110.990(6).)

“Council” means the governing body of a city. (AS 29.71.800.)

“DCED” means the Alaska Department of Community and Economic Development.

“DEED” means the Alaska Department of Education and Early Development.

“Department” means the Alaska Department of Education and Early Development. (AS 29.71.800; 3 AAC 110.990(7).)

“District” means a city or borough school district or a regional educational attendance area (REAA). (AS 14.17.990(2).) District also means a federal transfer regional educational attendance area (FTREAA).

“District adjusted ADM” is the average daily membership of a district that has been adjusted by: (1) applying the school size factor to the student count as set out in AS 14.17.450; (2) applying the district cost factor described in AS 14.17.460; (3) applying the special needs factor as set out in AS 14.17.420(a)(1); (4) adding the intensive service adjustment as set out in AS 14.17.420(a)(2); and (5) adding correspondence students as set out in AS 14.17.430.

“Enrollment” is a one-day count of the number of students as of October 1.

“Enrollment gap” is the difference between the 250-student threshold established in AS 14.12.025 for the creation of new school districts and the most recent average daily membership for a district with fewer than 250 students.

“Federal Impact Aid” is federal financial assistance provided, upon application, to school districts with children whose parents live and/or work on federal property. Ninety percent of the eligible federal impact aid funds are used in the calculation of state aid (see column 4 of Tables 1-4 in Part I of the report for treatment of the deductible federal impact aid).

“Federal transfer regional educational attendance area” means an educational service area established and organized under a special act in 1985 (Ch. 66, SLA 1985) separate and distinct from an REAA established and organized under AS 14.08.031 and AS 29.03.020. There are two FTREAA: (1) a school district that provides education services to three villages in the Lower Kuskokwim REAA (Akiachak, Akiak, and Tuluksak); and (2) a school district that provides education services to the village of Chevak in the Lower Yukon REAA.

“FTE” means “full-time equivalent.”

“FTREAA” means “federal transfer regional educational attendance area.”

“Full-time equivalent” means employment in terms of the equivalent of full-time positions.

“General law municipality” means a municipal corporation and political subdivision of the State of Alaska that has legislative powers conferred by State law; it may be an unchartered first-class borough, second-class borough, third class borough, first-class city, or second-class city organized under the laws of the State of Alaska. (AS 29.04.020.)

“HSGQE” means “high school graduation qualifying examination” (a.k.a. State High School Exit Exam) given to all high school sophomores, juniors, and seniors to determine proficiency in reading, writing, and mathematics. Proficiency in those fields is required in order to earn a high school diploma.

“LBC” refers to the Alaska Local Boundary Commission.

“Magnet school” means a school with a strong emphasis in a particular subject area, for example, music, science, drama, math, etc. In a magnet school, students are typically selected through an application process instead of being assigned based on residence.

“Merger” means dissolution of a municipality and its absorption by another municipality. (AS 29.71.800.)

“Model borough boundaries” means those boundaries set out in the Commission’s publication *Model Borough Boundaries*, revised as of June 1997 and adopted by reference. (3 AAC 110.990(9).)

“Municipality” means a political subdivision incorporated under the laws of the state that is a home-rule or general law city, a home-rule or general law borough. (AS 29.71.800.)

“Nonareawide” means throughout the area of a borough outside all cities in the borough. (AS 29.71.800.)

“Permanent resident” means a person who has maintained a principal domicile in the territory proposed for change under this chapter for at least 30 days immediately preceding the date of acceptance of a petition by the department, and who shows no intent to remove that principal domicile from the territory at any time during the pendency of a petition before the Commission. (3 AAC 110.990(10).)

“Political subdivision” means a borough or city organized and operated under state law. (3 AAC 110.990(11).)

“Property owner” means a legal person holding a vested fee simple interest in the surface estate of any real property including submerged lands; “property owner” does not include lienholders, mortgagees, deed of trust beneficiaries, remaindermen, lessees, or holders of unvested interests in land. (3 AAC 110.990(12).)

“Quality school funding” is a component of public school funding. Under AS 14.17.480, a district is eligible to receive a quality school funding grant not to exceed the district’s adjusted ADM multiplied by \$16.

“REAA” means “regional educational attendance area.”

“Regional educational attendance area” means an educational service area established and organized under AS 14.08.031 and AS 29.03.020. It is a school district that provides education services to that portion of the unorganized borough outside of home-rule and first-class cities.

“Required local contribution” means the local contribution required by AS 14.17.410(b)(2) of a city or borough school district that is the equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110, not to exceed 45 percent of a district’s basic need for the preceding fiscal year as determined under AS 14.17.410(b)(1). Neither REAAs nor FTREAs are subject to required local contributions. (*See also* “voluntary local contribution.”)

“Service area” means an area in which borough services are provided that are not offered on an areawide or nonareawide basis, or in which a higher or different level of areawide or nonareawide services are provided; borough service areas are not local governments. A service area lacks legislative and executive powers.

“State” (where capitalized) refers to the State of Alaska government.

“State Aid” (State Foundation Formula). State aid equals basic need minus a required local contribution and 90 percent of eligible federal impact aid for that fiscal year. (AS 14.17.410(b)(1).)

“Unorganized borough” means areas of Alaska that are not within the boundaries of an organized borough. (AS 29.03.010.)

“Voluntary local contribution” (also referred to as “excess local contribution”) means the level of funding in addition to the local contribution required under AS 14.17.410(b)(2) that a city or borough school district may contribute in a fiscal year. The voluntary local contribution may not exceed the greater of (1) the equivalent of a two-mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Economic Development under AS 14.17.510 and AS 29.45.110; or (2) 23 percent of the district’s basic need for the fiscal year under AS 14.17.410(b)(1). (*See also* “required local contribution.”)